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DEPARTMENT OF ENERGY FEDERAL ENERGY REGULATORY COMMISSION

Bluewater Gas Storage, LLC

Docket No. CP12-51-000

NOTICE OF INTENT TO PREPARE AN ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED ST. CLAIR RIVER CROSSING REPLACEMENT PROJECT, REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES, AND NOTICE OF ONSITE ENVIRONMENTAL REVIEW

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental assessment (EA) that will discuss the environmental impacts of the Bluewater Gas Storage, LLC (Bluewater) St. Clair River Crossing Replacement Project (Project) involving the construction of the United States portion of the U.S. – Canada cross-border pipeline facilities from St. Clair County, Michigan to the international boundary within the St. Clair River for the import-export of up to 300 million cubic feet per day (MMCf/d) of natural gas. This EA will be used by the Commission in its decision-making process to determine whether the project is in the public convenience and necessity.

This notice announces the opening of the scoping process the Commission will use to gather input from the public and interested agencies on the Project. Your input will help the Commission staff determine what issues need to be evaluated in the EA. Please note that the project **scoping period will close on March 17, 2012.** Further details on how to submit written comments are provided in the Public Participation section of this notice.

The office of Energy Projects staff will conduct an onsite environmental review of the project area to gather data for its environmental analysis of the proposed project. Viewing of the project area is anticipated to be from Bluewater's property along River Road. Those attending should meet at the following location and time:

FERC Onsite Environmental Review
St. Clair River Crossing Replacement Project
February 28, 2012 at 9:00 am Eastern Time
1060 River Road
Marysville, Michigan 48040-1510

This notice is being sent to the Commission's current environmental mailing list for this project as described under the Environmental Mailing List Section of this notice. The notice is also being sent to those landowners outside of the immediate construction work areas who could potentially be affected during construction from secondary, short-term construction-related noise and/or visual impacts. State and local government representatives are asked to notify their constituents of this proposed project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, and you are contacted by a representative of Bluewater about the acquisition of an easement to construct, operate, and maintain the proposed facilities, please note that the company would seek to negotiate a mutually acceptable agreement. However, if the project is approved by the Commission, that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the company could initiate condemnation proceedings where compensation would be determined in accordance with state law.

A fact sheet prepared by the FERC entitled "An Interstate Natural Gas Facility On My Land? What Do I Need To Know?" was attached to the project notice Bluewater provided to landowners. This fact sheet addresses a number of typically-asked questions, including the use of eminent domain and how to participate in the Commission's proceedings. It is also available for viewing on the FERC website (www.ferc.gov).

Summary of the Proposed Project

Bluewater proposes to construct and operate a new natural gas pipeline directionally drilled underneath the St. Clair River from Bluewater's header system in St. Clair County, Michigan to the International Border. The proposed Project would consist of:

- the construction and operation of approximately 1,500 feet of 20-inch-diameter pipeline directionally drilled underneath the St. Clair River to the international border (Cross Border Facilities) within the St. Clair River and construction of approximately 345 feet of 20-inch-diameter replacement pipeline facilities to connect the Cross-Border Facilities to Bluewater's existing 30-mile, 20-inch-diameter pipeline header system in Marysville, St. Clair County, Michigan;
- a Presidential Permit authorizing Bluewater to install, construct, own, operate and maintain the U.S. portion of the cross-border facilities, pursuant to Part

¹ Requested under Bluewater's existing National Gas Act Section 7 Blanket Certificate.

153, Subpart C of the Commissions regulations, and Executive Order No. 10,485, as amended by Executive Order No. 12,038;

- vacating an existing Section 3 Authorization and Presidential Permit with respect to leased facilities with Nova Chemicals;
- remove approximately 245 feet of 20-inch-diameter pipeline and 30 feet of 12-inch-diameter pipeline; and²
- modify an existing meter station to increase its measurement capacity.²

The general location of the Project facilities is shown in appendix 1.

Land Requirements for Construction

Construction of the Project pipeline facilities would be conducted by the horizontal directional drilling method (HDD) from a location approximately 425 feet on the U.S. inland side of the St. Clair River (entry point) to the U.S. – Canada international border within the river (Appendix 1). The Project would permanently disturb about 0.95 acres of land.

The EA Process

The National Environmental Policy Act (NEPA) requires the Commission to take into account the environmental impacts that could result from an action whenever it considers the issuance of a Certificate of Public Convenience and Necessity. NEPA also requires us³ to discover and address concerns the public may have about proposals. This process is referred to as "scoping." The main goal of the scoping process is to focus the analysis in the EA on the important environmental issues. By this notice, the Commission requests public comments on the scope of the issues to address in the EA. All comments received will be considered during the preparation of the EA.

In the EA we will discuss impacts that could occur as a result of the construction and operation of the proposed project under these general headings:

- geology and soils;
- land use;

² Ibid

³ "We," "us," and "our" refer to the environmental staff of the Commission's Office of Energy Projects.

- water resources, fisheries, and wetlands;
- cultural resources;
- vegetation and wildlife;
- air quality and noise;
- endangered and threatened species; and
- public safety.

We will also evaluate reasonable alternatives to the proposed project or portions of the project, and make recommendations on how to lessen or avoid impacts on the various resource areas.

Our independent analysis of the issues will be presented in the EA. The EA will be placed in the public record and, depending on the comments received during the scoping process, may be published and distributed to the public. A comment period will be allotted if the EA is published for review. We will consider all comments on the EA before we make our recommendations to the Commission. To ensure your comments are considered, please carefully follow the instructions in the Public Participation section of this notice.

With this notice, we are asking agencies with jurisdiction and/or special expertise with respect to environmental issues to formally cooperate with us in the preparation of the EA. These agencies may choose to participate once they have evaluated the proposal relative to their responsibilities. Agencies that would like to request cooperating agency status should follow the instructions for filing comments provided under the Public Participation section of this notice.

Consultations Under Section 106 of the Natural Historic Preservation Act

In accordance with the Advisory Council on Historic Preservation's implementing regulations for section 106 of the Natural Historic Preservation Act, we are using this notice to initiate consultation with applicable State Historic Preservation Office(s) (SHPO), and to solicit their views and those of other government agencies, interested Indian tribes, and the public on the project's potential effects on historic properties. We will define the project-specific Area of Potential Effects (APE) in consultation with the SHPO(s) as the project is further developed. On natural gas facility projects, the APE at a minimum encompasses all areas subject to ground disturbance (examples include construction right-of-way, contractor/pipe storage yards, compressor stations, and access

⁴ The Advisory Council on Historic Preservation's regulations are at Title 36, Code of Federal Regulations, Part 800. Historic properties are defined in those regulations as any prehistoric or historic district, site, building, structure, or object included in or eligible for inclusion in the Natural Register of Historic Places.

roads). Our EA would document our findings on the potential project impacts on historic properties and summarize the status of consultations under section 106.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the project. Your comments should focus on the potential environmental effects, reasonable alternatives, and measures to avoid or lessen environmental impacts. The more specific your comments, the more useful they will be. To ensure that your comments are timely and properly recorded, please send your comments so that they will be received in Washington, DC on or before March 17, 2012.

For your convenience, there are three methods which you can use to submit your comments to the Commission. In all instances please reference the project docket number (CP12-51-000) with your submission. The Commission encourages electronic filing of comments and has expert eFiling staff available to assist you at (202) 502-8258 or effling@ferc.gov.

- (1) You may file your comments electronically by using the <u>eComment</u> feature, which is located on the Commission's website at <u>www.ferc.gov</u> under the link to <u>Documents and Filings</u>. An eComment is an easy method for interested persons to submit brief, text-only comments on a project;
- You may file your comments electronically by using the <u>eFiling</u> feature, which is located on the Commission's website at <u>www.ferc.gov</u> under the link to <u>Documents and Filings</u>. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on "<u>eRegister</u>." You will be asked to select the type of filing you are making. A comment on a particular project is considered a "Comment on a Filing"; or
- (3) You may file a paper copy of your comments at the following address:

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street NE, Room 1A Washington, DC 20426

Environmental Mailing List

The environmental mailing list includes federal, state, and local government representatives and agencies; elected officials; Native American Tribes; environmental and public interest groups; other interested parties; and local libraries and newspapers.

This list also includes all affected landowners (as defined in the Commission's regulations) who are potential right-of-way grantors, whose property may be used temporarily for project purposes, or who own homes within certain distances of aboveground facilities, and anyone who submits comments on the project. In this notice we have also included landowners that could be inadvertently affected by construction noise or visual impacts. We will update the environmental mailing list as the analysis proceeds to ensure that we send the information related to this environmental review to all individuals, organizations, and government entities interested in and/or potentially affected by the proposed project.

If the EA is published for distribution, copies will be sent to the environmental mailing list for public review and comment. If you would prefer to receive a paper copy of the document instead of the CD version or would like to remove your name from the mailing list, please return the attached Information Request (appendix 2).

Becoming an Intervenor

In addition to involvement in the EA scoping process, you may want to become an "intervenor" which is an official party to the Commission's proceeding. Intervenors play a more formal role in the process and are able to file briefs, appear at hearings, and be heard by the courts if they choose to appeal the Commission's final ruling. An intervenor formally participates in the proceeding by filing a request to intervene. Instructions for becoming an intervenor are included in the User's Guide under the "e-filing" link on the Commission's website.

Additional Information

Additional information about the project is available from the Commission's Office of External Affairs, at (866) 208-FERC, or on the FERC website at www.ferc.gov using the "eLibrary" link. Click on the eLibrary link, click on "General Search" and enter the docket number, excluding the last three digits in the Docket number field (i.e., CP12-51). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FercOnlineSupport@ferc.gov or toll free at (866) 208-3676, or for TTY, contact (202) 502-8659. The eLibrary link also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission now offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. Go to www.ferc.gov/esubscribenow.htm.

Finally, public meetings or site visits will be posted on the Commission's calendar located at www.ferc.gov/EventCalendar/EventsList.aspx along with other related information.

Dated: February 16, 2012

Kimberly D. Bose, Secretary.

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